BDR 43-1022
AB 481

LOCAL GOVERNMENT

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 2, 2007

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

See attached.

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LOCAL GOVERNMENT RESPONSES
AB 481 / BDR

	Impact	**FY 2007 - 08**	**FY 2008 - 09**	**Future Biennia**	**Comments**
Carson City	**Decrease in Revenue**	**$145,000**	**$145,000**	**$145,000**	$145,000 in FY 2006 – 07. If 5% of all cars in Carson City would qualify, this would reduce our revenues by approximately $145,000 per year.
City of Henderson					The proposed legislation will have a fiscal impact on the city of Henderson. However, it is difficult to estimate the fiscal impact since we do not know how many vehicles now or in the future would qualify for the fuel efficiency governmental tax exemption. For example, rental car companies could have many vehicles qualify for the exemptions if they had fleets of 2006 Civics, which would qualify for the exemption.
City of Las Vegas	**Decrease in Revenue**				Passage of this bill would not only have fiscal impact through state-collected shared revenues but would further reduce revenues collected through metered parking fees, which has a direct impact on the city. The loss of revenue cannot be estimated as the city does not have the data related to the number of "fuel efficient" vehicles registered in the state of Nevada nor can it anticipate how many times a "fuel efficient" vehicle might use metered parking in the city.
City of North Las Vegas					Fiscal impact not determinable.

	Impact	FY 2007 - 08	FY 2008 - 09	Future Biennia	Comments
City of Reno					No impact on Police Department. HOV lanes were put into place to encourage car-pooling. This practice gives incentive to the driver to find others to ride with and reduce overall fuel consumption by the number of vehicles taken off the road. This bill would allow single occupancy vehicles to receive the same treatment and does not give the same incentive to ride share. Enforcement would be difficult because now the officer would need to first identify if there is only one person in the vehicle and then determine if there is a decal on the vehicle. Parking meters and parking lot services serve two functions. They bring in revenue to pay for the upkeep and maintenance of the devices and infrastructure and they encourage "turnover" on the street or parking lot. Again, the parking enforcement officer would need to identify if the vehicle is required to pay or not and then determine if the meter is running. This bill would decrease parking revenues, which would need to be offset by another funding source. It may also encourage "abuse" of the privilege, which could leave to cars staying in the same place for days at a time. Downtown parking on the streets would have these types of vehicles using up the spaces making parking even more difficult to find. Motor Vehicle Privilege Taxes and Sales tax revenues could be seriously reduced and other

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City of Reno (cont)					funding sources would need to be identified or service levels reduced to balance the "benefit" to the purchaser.
City of Sparks	**Decrease in Revenue**	**$75,000**	**$100,000**	**$200,000**	Per data received from the Department of Motor Vehicles, the city of Sparks can expect a reduction in revenue from the Government Services Tax, as disbursed through the Consolidated Tax formula, of approximately $75,000 in FY 2008, $100,000 in FY 2009, and $200,000 during the subsequent biennium.
Churchill County	**Decrease in Revenue**				This proposed bill would reduce the amount of GST collected from fuel efficient vehicles, exempt certain sales tax collections on fuel efficient vehicles and other financial incentives to promote the use of fuel efficient vehicles. While it is difficult to project the number of fuel efficient vehicles (>31MPG) that would be registered in Churchill County, it would reduce the GST collected. Furthermore, this would result in the loss of certain sales tax collections and gas tax collections that are currently being used to fund the repair and maintenance of our county roads. Just like the state of Nevada, Churchill County is having difficulties funding the repairs and maintenance of our road infrastructure.
Clark County	**Decrease in Revenue**				Reduction in revenue, however, unable to determine as there are too many unknown factors.
Douglas County	**Decrease in Revenue**				This has a potential to have significant impact on revenue for Douglas County. Since we have no idea how many vehicles this may apply to we cannot provide any actual dollar amount this time.

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Esmeralda County	**No impact**				We do not have smog checks, so this would have no impact
Eureka County	**No impact**				
Humboldt County					While this bill has impact, we believe it would be minimal.
NACO					Huge potential for fiscal impact. Based on assumptions from responses from local governments, at least $10 million statewide.
Washoe County	**Decrease in Revenue**	**$1,569,600**	**$1,569,600**	**$4,599,175**	County would save registration and license fees on 10 to 12 qualifying vehicles purchased per year. (County does not pay sales tax or governmental services taxes.) The sales of qualified fuel-efficient vehicles in Washoe County would not be subject to sales taxes (BCCRT, SCCRT and AB 104 sales taxes) or government services taxes (GST). For every $1000 in taxable sales exempt from sales tax Washoe County loses $12.97 in revenue. For every $1000 in manufacturer's suggested retail price exempt from GTX Washoe County loses $4.10 in the year of sale, $3.48 in the year after sale, $3.07 in the second year after sale, $2.66 in the third year, and $2.25 in the fourth year after sale. Current MSRPs for local Toyota Priuses and Camry's are $23,000 and $33,000. Reasonable limits of penetration of qualifying vehicles in Washoe County is estimated to be between 1% and 3% of new vehicle sales in Washoe County. Total Washoe County new vehicle sales estimated to be 40,000 per year.

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Churchill County School District	**Decrease in Revenue**				This measure would reduce the level of Government Service Tax collected and result in less revenue for education.
Clark County School District	**No impact**				
Douglas County School District	**Decrease in Revenue**				Reduces the LSST revenues, which directly negatively affects funding for Douglas County School District.
Elko County School District					Any decrease in Government Services Tax and LSST will have a fiscal impact on school districts.
Esmeralda County School District					It is impossible to determine the negative impact such legislation will have upon the Esmeralda County School District.
Humboldt County School District					This BDR will have DMV ramifications and sales tax ramifications for HCSD. Both sources of revenue are critical to our district. We cannot even begin to provide a cost estimate. However the impact would be substantial on the ability of the district to operate effectively, as well as to obtain needed funds to our community. We strongly oppose this measure and would ask that it not be supported as currently submitted.

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Lincoln County School District	**Decrease in Revenue**	**$5,000**	**$9,000**		This would impact Lincoln County School District income. As time passes, the impact would increase as more and more efficient vehicles are developed and purchased. These estimates are probably low.
Mineral County School District	**No impact**				
Nye County School District					Not enough information to determine if registration exemption will impact the school district. Otherwise no impact.
Pershing County School District	**Decrease in Revenue**	**$4,000**	**$6,000**	**$10,000**	The district has not identified how many actual "fuel efficient" cars are in the county and, therefore, does not know the exact impact on GST revenues.
Washoe County School District	**No impact**				
White Pine County School District	**Decrease in Revenue**				Exempting the purchaser of a fuel efficient vehicle from licensing and registration fee would reduce revenue and adversely affect local government revenue. The district does not possess the information to provide a reasonable estimate of the impact.

The following cities/counties/school districts did not provide a response: League of Cities, Elko County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, White Pine County, Carson City School District, Eureka County School District, Lander County School District, Lyon County School District, and Storey County School District,